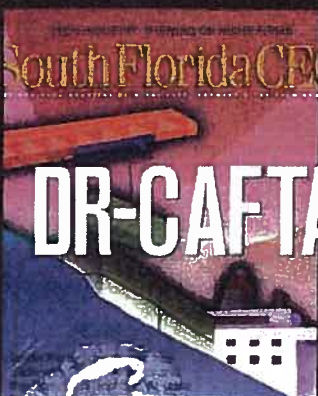
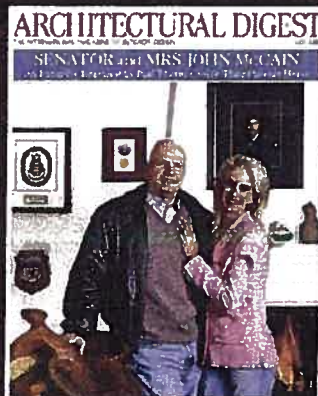
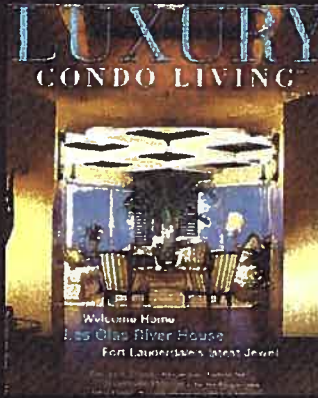




TRUMP

INTERNATIONAL
HOTEL & TOWER
FORT LAUDERDALE

as seen in...



THERE IS LUXURY...AND THEN THERE IS THE TRUMP EXPERIENCE.

Trump International Hotel & Tower will debut in South Florida as a five-star, 298-unit condo/hotel on the ocean in Fort Lauderdale. Behind the project is real estate mogul Donald J. Trump and prominent New York-based developer Roy Stillman in partnership with internationally recognized resort and hotel development company Bayrock Group. The development will rise at 551 N. Ft. Lauderdale Beach Blvd. just north of Las Olas Boulevard. Construction will begin in April with completion scheduled for February 2007. Fully furnished and outfitted deluxe studios, one and two-bedroom suites will average approximately \$1,000 per square foot.

Flaunting a distinctive, curved shape, new to the Fort Lauderdale beachfront, the 24-story tower, designed by renowned Architect Michael Graves and Associates in collaboration with Oscar Garcia Architects, will resemble a 1925 luxury cruise liner in look and feel. "We are thrilled to be entering this market with such a presence. We've found the best location in which to offer the finest and most luxurious five-star experience. This will truly be a landmark on Fort Lauderdale Beach," states Donald J. Trump.

Roy Stillman, managing member of Stillman Bayrock Merrimac LLC, adds, "Our combined expertise in development will ensure a level of architectural innovation not seen in South Florida."



Donald J. Trump

"Our alliance with two leading development firms creates a tightly woven infrastructure of finance, operations and development aptitude that buyers will recognize and the city will benefit from," commented Tevlik Arif of Bayrock Group, co-managing member of Stillman Bayrock Merrimac LLC. To exemplify Trump's signature level of luxury, Trump International Hotel & Tower Fort Lauderdale will have the most elegant interior finishes and features. Italian marble flooring and top-of-the-line appliances, unparalleled amenities and white-glove service, a health club and spa, world-class restaurant, concierge, valet, room service and 24-hour security will be among them.

Trump conceived the condominium hotel concept in New York with Trump International Hotel & Tower on Central Park West, which is currently rated the number one hotel in the United States by *Condé Nast Traveler*. Two major advantages of Trump's condo/hotel concept are that condominium owners have the option to allow a premier hotel management company to maintain and rent their units when not occupied, and that they are offered among the most favorable rental programs found in the marketplace today.

Donald J. Trump established The Trump Organization in 1980 as the umbrella organization for all of his real estate developments and other corporate affiliates. The Trump Organization is currently developing residential, hotel and golf club projects in Chicago, Las Vegas, Los Angeles, Phoenix, Miami, Toronto, the Caribbean, Westchester, New York, Bedminster, New Jersey and Seoul, South Korea. Roy Stillman, Principal of the Stillman Organization, Ltd. is a prominent real estate developer with projects in New York, Connecticut and Florida. The projects range from land planning to residential and commercial developments that include luxury condominiums and hotels. Stillman has most recently completed The Metropolitan, a high-rise luxury residential tower in Manhattan. Bayrock Group LLC is an international real estate investment and development company specializing in luxury residential, commercial, resort, hotel and mixed-use projects. Currently in the United States, Bayrock is developing projects in New York, Florida and Arizona. Bayrock has also developed and owns five luxury resorts on the Mediterranean Sea and throughout Europe, which are managed under Rixos, a subsidiary of Bayrock.

The temporary sales center is located at the Galleria Luxury Collection at 954 E. Las Olas Blvd., with the onsite sales center scheduled to open in April.

For more information, call 866-TRUMP-01 (866-878-6701) or visit www.trumpfortlauderdale.com.

THE PROPERTY REPO

Builders Hire Noted Architects to Design Condos

Continued From Page B1

even though it has amenities such as a spa and a gym that Museum Residences lack.

Rick Brown, an oil and gas developer, and his wife, Jill Wiltsie, inventor of Pet Pickup disposable dog-waste bags and dispensers, bought a one-bedroom apartment in the Museum Residences for \$533,000, three days after it went on sale. "It's such dramatic architecture, we wanted to be there," says Mr. Brown of the five-story building that wraps around the museum's parking garage.

Like other early buyers, the couple preferred a unit facing the museum rather than the Rocky Mountains. They envision using the apartment as an office, a place to lodge out-of-town guests and temporary living quarters while they construct a space in their current home nearby to display their collection of modernist-Hungarian paintings.

Notwithstanding the high prices, Mr. Libeskind says he's interested in building housing that's unique to the market. "It's democracy," he says. "It's not social housing or the fantasy Calatrava building (in New York). It's the middle market. It's an interesting neighbor to this great civic sculpture," he says, describing his museum design's aggressive, sharp-angled form.

After the quick pace of sales in Denver, one of the building's developers, Corporax, hired Mr. Libeskind to redesign a 22-story rounded tower called the Ascend (at Roebling's) Bridge in Covington, across the Ohio River from Cincinnati. Like many of Mr. Libeskind's designs, the roof slants upward and the facade is marked with sharp angles. It will cost \$36 million to build, and most of the 180 units will be offered between \$380,000 and \$1 million, a new high for the area.

Craig Nassi, president of BCN Development, the company that built the rival Beauvallon in Denver, has hired Mr. Libeskind for a 38-story luxury condo tower called the Aura in the decidedly unfussy market of Sacramento, Calif. (He says he didn't know about the Museum Residences when he hired Mr. Libeskind.) BCN, too, will capitalize on Mr. Libeskind's reputation: the sales of the tower will feature a minimuseum of Mr. Libeskind's work.

Using an architect's name to sell apartments isn't a new strategy. Modernist icon Ludwig Mies van Der Rohe designed several apartment buildings in the 1950s and 1960s, including those along Lake Shore Drive in Chicago. They remain among the most coveted addresses in the Windy City.

The latest fad was reignited two years

ago when two condominium towers designed by architect Richard Meier on a highway near the Hudson River in Manhattan opened to rave reviews for their architecture. The project also commands huge prices: a 3,700-square-foot unit is on the resale market now for \$3 million. The towers attracted famous buyers such as Calvin Klein and Martha Stewart. Despite publicity over the buildings' quality issues, including a major leak, Mr. Meier's third tower is going up across the street. It's 80% sold and studios there have sold for more than \$1.5 million.

It's unclear whether an architect's name attached to a building pays off in price appreciation compared to long-old standbys in real estate—a good location. Mr. Mies van Der Rohe's Colonnade, a 22-story glass and metal building constructed in 1960 in Newark, N.J., has stun-



Donald Trump is working with architect Michael Graves on a condominium hotel in Fort Lauderdale that won't be completed until 2007. Average cost per square foot is over \$1,700.

Michael Graves & Associates

and a lack of closets don't suit today's lifestyles. His flat roofs are notoriously leaky and there are often restrictions on remodeling historic structures.

In Chicago, two-year-old Skybridge, a condo developed by Moran Associates and Howard Weiner and designed by Mr. Johnson of Perkins & Will, is more than 20% empty despite a healthy housing market and industry honors for its design. One of the developers, Tom Moran, says too many three-bedroom units were constructed and competitors in more established neighborhoods lure buyers.

Yet many developers have decided such architectural exuberance is worth the price. Well-known architects command two to five times more than the average fees, which are about 2% of construction costs.

Michael Graves costs more money, Mr. Trump says. Roy Stullman, lead developer on the Trump project in Fort Lauderdale, a condominium-hotel that Trump will operate. Since the sales office opened in March, the building has garnered \$35 million in deposits on 225 of its 298 units without any advertising. The average cost per square foot is more than \$1,700. The building won't be completed until 2007.

Mr. Stullman equates a respected architect's work to a good insurance policy. "Good build there's a downturn," he says. "I believe this building is the last to suffer and first to benefit. It's unique."

Mall Rents Fall but Shopping-Strip Rates Rise

By RYAN CHITNUM

The nation's shopping centers shifted into neutral during the first quarter, ending a strong year of improving vacancy rates according to a new survey. Rents in shopping malls fell for the first time in a year, but rents in strip malls rose.

For mall owners and operators, the business environment is good. The vacancy rate for shopping malls remained at the lowest point in 3 1/2 years in the first quarter, leveling off at 5.3%, according to the survey of the top 62 U.S. markets by Reis Inc., a New York-based commercial real-estate research firm.

But the mall industry, which soared through the economic downturn and stock-market crash on the strength of the seemingly imperturbable U.S. shopper, remains vulnerable to any slowdown in consumer spending.

Mall rents edged down 0.4% in the first quarter to \$37.75 per square foot,

per year from \$37.65 a square foot in the fourth quarter of 2004. The first quarter is usually a shakeout period in the retail industry as some retailers who hung on through the holiday shopping season cut costs or go out of business. It was the fifth straight year that rents fell in the first quarter, but the bankruptcy season was light compared with last year, when rents tumbled 1.5% in the first quarter.

The vacancy rate in strip malls edged up to 6.8% in the first quarter from 6.5% in the fourth quarter as "absorption"—the net change in occupied space—slowed to 3.2 million square feet in the first quarter compared with nine million in the previous quarter. But rents were up 0.6% to \$18.95 a square foot in the first quarter from \$17.95 a square foot in the fourth quarter.

Part of the reason why mall landlords are doing so well despite inconsistent job growth and cooling consumer confidence is retailers' belief that if they continue to build stores, shoppers

will come. "Unlike its office and apartment cousins, sluggish employment growth, higher oil prices and a lackluster stock market do not seem to undermine the faith that retailers have in the American consumer," said Lloyd Lyford, chief executive of Reis. Whenever they face sluggish sales, retailers lease more space, he said. "That strategy can't persist forever."

Also adding to the uncertainty in retail real estate is the wave of consolidation in department stores. The three recent big retailing deals—Kmart Holding Corp. merging with Sears, Roebuck & Co. to form Sears Holding Corp., Federated Department Stores Inc. merging with May Department Stores Co. and the sale of Toys "R" Us Inc.—all were based in part on the underlying value of the companies' real-estate assets. With other department stores, including Saks Inc. and Neiman Marcus Group Inc., considering pulling all or part of their operations on the market, landlords could see a significant amount of empty an-

THE FLORIDA BUYER



"We're raising the industry standards with Beach House; our buyers know it and want to be part of it." — Rodrigo Niño

BEACH HOUSE

Who: Rodrigo Niño, president of Prodigy International Development Sales and Marketing. **Developer:** Lynx Strategic Development, sister company to Prodigy International. **Property:** A Florida first, Beach House is a glass residential building designed by world-renowned architect Richard Meier in association with Kobi Karp Architecture. The sure-to-become a landmark will be 12 stories high and will house 101 residences with one to four-bedroom configurations. Each residence here will be designed to feel like a penthouse with floor-to-ceiling glass windows and generous terraces

offering panoramic views. Amenities will be five-star: a private beach club, roof-level sky pool, His and Her spas and wine and cigar lounge with temperature-controlled cellars and humidors. **Price Range:** \$1 million to \$8 million. **Scheduled Completion:** Fall 2007. **Units Sold:** As of press time no sales figures were yet available, but for a group of only 22 residences, Niño had received 250 reservations with deposits. Speaking to the demand for the project, none of these reservations guarantee a specific price range or floor plan. After reservations are reviewed, prospective buyers will then be contacted with a buying option. **Buyer Demographic:** "Very global," says Niño. "So far, 20 percent are Floridians, mostly from Miami, then Naples and Palm Beach; 30 percent are domestic U.S. from New York, Los Angeles, San Francisco and Chicago; 40 percent are Europeans from Italy, England and Spain; and the remaining 10 percent are Latin Americans: Mexicans, Venezuelans and Colombians." **Buyer Background:** "Absolutely design and architecture-savvy, and they know exactly what it means when you say you have a building designed by Richard Meier. We're raising the industry standards; our buyers know it and want to be part of it." **Median Age of Buyer:** "There isn't one. The Richard Meier name is beyond any age bracket." **Main Draw:** Besides the obvious design aesthetics and designer name attached to Beach House, location

Trump International Hotel & Tower Fort Lauderdale



— the building is a mere block away from Bal Harbour Shops and a 10-minute drive to South Beach." **Sales Center:** 9449 Collins Avenue, Bal Harbour, 305/695-7823. www.beachhousemiami.com.

4,000 square feet. **Price Range:** \$500,000 to \$4 million. **Scheduled Completion:** February 2007. **Units Sold:** 240 out of 298. **Buyer Demographic:** "It's very varied," says Trump. "We have buyers that live in our New York properties and want a Florida pied-a-terre, South American and international buyers from the rest of the world and first-time 'Trump' buyers who want this to be a part of their lifestyle." **Buyer Background:** "When you deal with these price points, you're going to get an educated consumer," says Trump. "This is not a first-timer, but a sophisticated buyer who knows what he's getting into." The mix also includes design-savvy clients who know the work of the building's architect. Adds Roy Stillman: "This is the first time an architect like Michael Graves will design a building in Fort Lauderdale [and our buyers know that.] This will truly be a landmark on Fort Lauderdale Beach that will bring a new level of opulence and sophistication to South Florida." **Median Age of Buyer:** "A good mix and both extremes," says Trump. "We have young people who have done incredibly well for themselves as well as typical older buyers who want to enjoy Florida for a couple of weeks out of the year." **Main Draw:** "Very attractive will be this alliance of two leading development firms," says Jody Kriss. "This creates a tightly woven infrastructure of finance, operations and development aptitude that buyers will recognize and the city will benefit from." **Sales Center:** Galeria Collection of Fine Homes, 945 East Las Olas Boulevard, Fort Lauderdale, 866/878-6701. www.trumphortlauderdale.com



"When you deal with our price points, you're going to get an educated consumer." — Donald Trump, Jr.

TRUMP INTERNATIONAL HOTEL & TOWER FORT LAUDERDALE

Who: Donald Trump, Jr., partner, The Trump Organization, Roy Stillman, Managing Member of Stillman Bayrock Merimac LLC. **Jody Kriss, Director of Finance, Bayrock Group.** **Principals/Owners:** Donald Trump, Jr. and Roy Stillman. **Developer:** Bayrock Group LLC. **Property:** A 298-unit, condominium hotel designed by Michael Graves and Associates in collaboration with Oscar Garcia Architects, the Trump International Hotel & Tower in Fort Lauderdale, with its curvilinear lines and dazzling Art Deco accents, emulates the elegance and grace of the luxury ocean cruise liners of the 1920s. Each of the hotel suite/residences will be delivered completely with top-notch fittings and fixtures. Floorplans include deluxe studios and interlocking one and two-bedroom suites from 530 to



ARCHITECTURAL DIGEST

THE INTERNATIONAL MAGAZINE OF INTERIOR DESIGN

JANUARY 2004

NEW LIST

The AD 100

The World's Top Designers and Architects

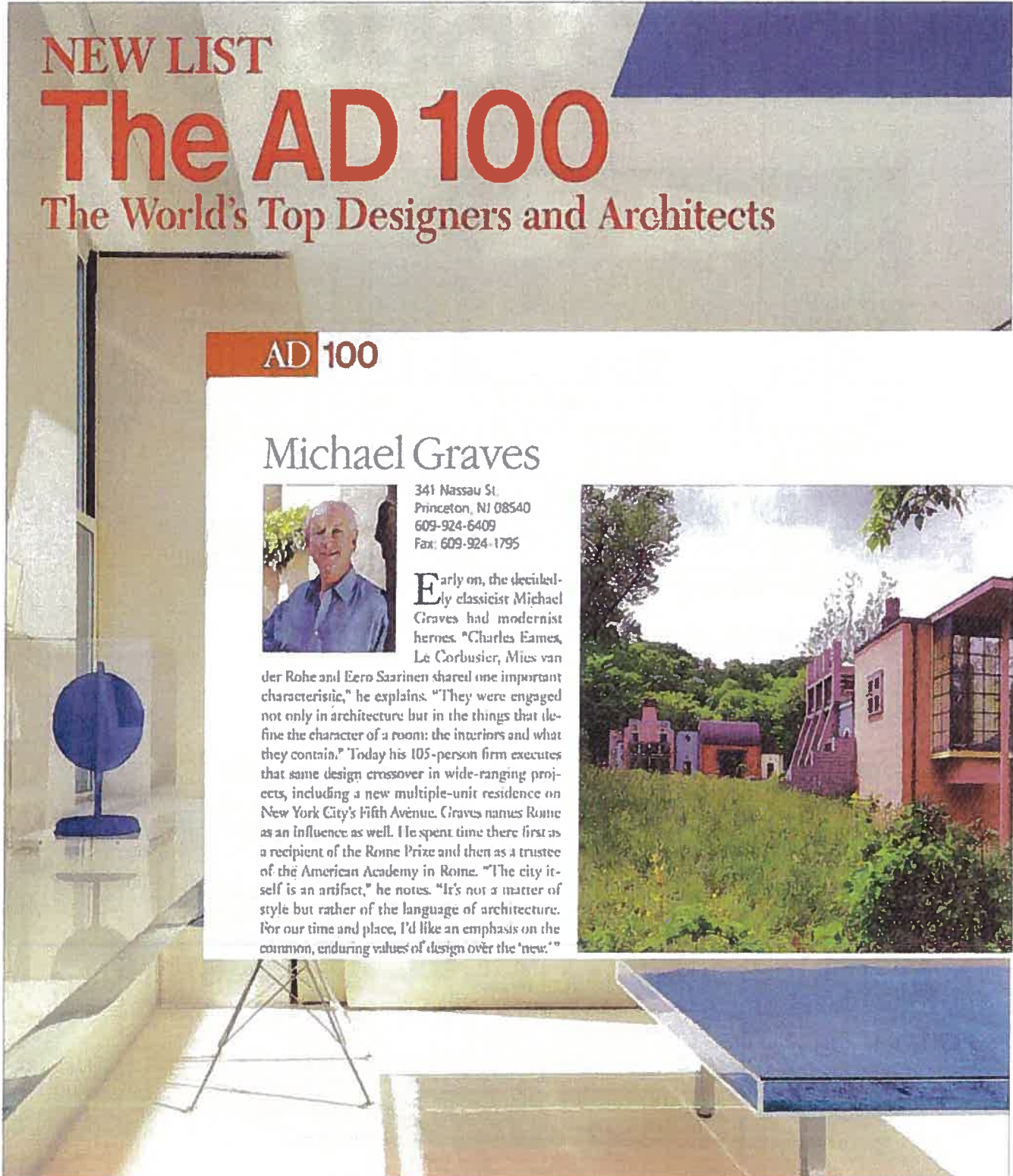
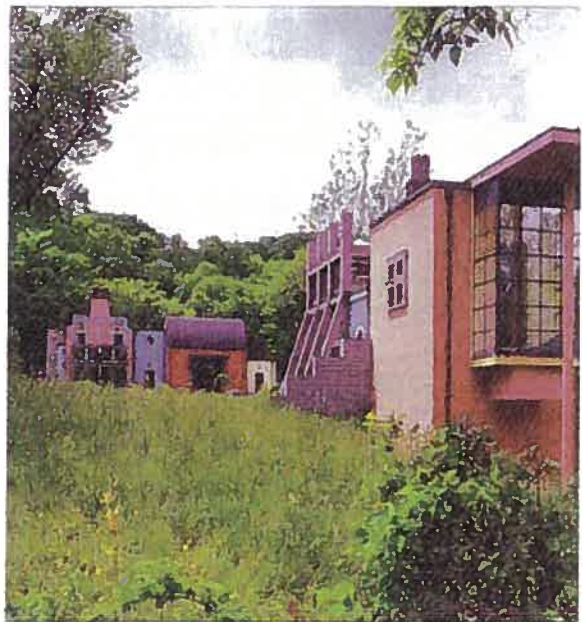
AD 100

Michael Graves



341 Nassau St.
Princeton, NJ 08540
609-924-6409
Fax: 609-924-1795

Early on, the decidedly classicist Michael Graves had modernist heroes. "Charles Eames, Le Corbusier, Mies van der Rohe and Eero Saarinen shared one important characteristic," he explains. "They were engaged not only in architecture but in the things that define the character of a room: the interiors and what they contain." Today his 105-person firm executes that same design crossover in wide-ranging projects, including a new multiple-unit residence on New York City's Fifth Avenue. Graves names Rome as an influence as well. He spent time there first as a recipient of the Rome Prize and then as a trustee of the American Academy in Rome. "The city itself is an artifact," he notes. "It's not a matter of style but rather of the language of architecture. For our time and place, I'd like an emphasis on the common, enduring values of design over the 'new.'"



The Miami Herald

HOME & DESIGN

APRIL 17, 2005



CARL JOSEPH/HERALD STAFF

THE BUILDINGS: Left to right, rendering of Richard Meier & Partners Architects' Beach House; Aqua by Andrés Duany and Elizabeth Plater-Zyberk, among others; Michael Graves' 1500 Ocean Drive.

brand-name condos

Hiring top architects to design condominiums is the latest selling tool — especially in communities saturated with projects

BY DONNA GEMMA-SMITH
dgemma@herald.com

The full-page ad couldn't be more to the point: The Beach House offers the ocean — and Richard Meier.

Meier, considered one of the world's top architects, is touted in the ad's large — and only — headline as the condominium's designer.

Developers nationwide are seeking out "name" architects as a selling point for their condominium projects, particularly in saturated markets such as South Florida where developers are looking for ways to set their projects apart.

In Fort Lauderdale, Michael Graves is working on the design

of the Trump International Hotel and Tower. Meier is designing the nearly all-glass Beach House in Surfside. In Miami Beach, the New Urbanist duo of Andrés Duany and Elizabeth Plater-Zyberk were among a group of prominent architects called in to design Aqua.

This attention to design comes at an important time: An increasingly crowded America needs striking architecture to offset the density of new developments. Many buyers like the idea of having such "art" as part of their new address.

"The design is so good it makes a better investment," it



THE NAMES: Left to right, architects Meier, Graves and Plater-Zyberk.

stands out from the others," declares New York-based Jeff Kahn, who bought a unit at the Graves-designed Trump International Hotel in Fort Lauderdale that hasn't even broken ground yet.

Still, real estate analyst

Michael Y. Cannon of Integra Realty Resources-South Florida cautions that "name" buildings don't automatically return a higher investment.

"Real estate is different than

*TURN TO CONDOS, 21H

The Miami Herald

HOME & DESIGN

Trump Hotel to rise on Lauderdale beach

MARCH 13, 2005



BEACHFRONT: Rendering of Trump International Hotel & Tower, designed to look like a cruise liner.

Construction will begin next month on a Trump International Hotel & Tower, a 298-unit condo-hotel at 551 N. Fort Lauderdale Beach Blvd., on the ocean in Fort Lauderdale.

The 24-story tower, designed by architect Michael Graves' firm in collaboration with Oscar Garcia Architects, will resemble a 1925 luxury cruise liner.

Real estate developer Donald J. Trump, New York-based developer Roy Stillman and a resort and hotel development company called Bayrock Group are partners in the venture.

The tower will have furnished studios, as well as one- and two-bedroom suites. Average prices will be about \$1,000 a square foot.

The temporary sales center is at the Galleria Luxury Collection, 954 E. Las Olas Blvd., with the on-site sales center scheduled to open in April.

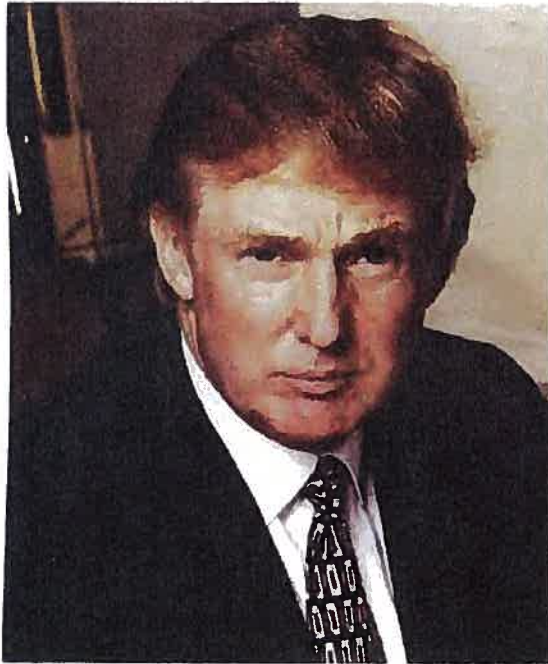
Info: 866-TRUMP-01
(866-878-6701) or
www.trumpfortlauderdale.com.

DEVELOPER PROFILE

AN ACE IN THE HOLE

TRUMP INTERNATIONAL HOTEL & TOWER IS IN THE CARDS FOR FORT LAUDERDALE

by JOIE A. SCHMITZ



Top: Donald J. Trump

Opposite page
too right:
Developer Roy
Stillman.

Opposite page
bottom right:
Trump International
Hotel and Tower
Fort Lauderdale.

In the heated game of South Florida real estate, Fort Lauderdale has been dealt a winning hand. The competition can consider itself trumped. The business' biggest name recently staked its claim on prime oceanfront property between the Atlantic and the Intracoastal. Trump International Hotel & Tower Fort Lauderdale will become a destination for many and a home for a select few. The 24-story condominium/ hotel, Donald J. Trump's first signature project in Broward County, rounds out the mogul's presence in the tri-county region and promises to be a prominent 21st century residential landmark when it is complete.

"Florida has been a great place to develop," said Trump, who has

also built the legendary Mar-a-Lago Club and Trump International Golf Club in Palm Beach. "In particular, Fort Lauderdale will benefit immensely from this project. The zoning is popular, the architecture will be amazing and the market has been calling for this. Buyers have been waiting for something spectacular. This is it."

No other real estate company has established a brand identity that rivals that of Trump. His signature projects are known and trusted for supreme luxury the world over. While his name precedes his work, Trump has also managed to assemble an incomparable team to back-up his reputation. The masters of the development trade have all converged to work on Trump International Hotel & Tower Fort Lauderdale.

Roy Stillman, a leading real estate developer with a portfolio of some of the most impressive developments in New York, Connecticut and Florida, is the Trump International Fort Lauderdale project co-developer. He says the fit out and completion are his work, which he considers a form of artistry. Just as he did for his acclaimed condominium, The Metropolitan, in New York City, Stillman will personally make it his mission to seek out and incorporate only the finest textiles, materials and fixtures in Trump International Fort Lauderdale. The end result of his efforts, he hopes, will be the finest building in all of Florida.

"I hope to raise the standard in the state's development," commented

Stillman. "Here it has never been customary to, for example, provide flooring other than concrete. Our units are going to be shrewdly and intricately outfitted so that residents can just move in. My intention is that other developers will follow suit, hoisting the bar on real estate work in the area."

Stillman will combine his talents and propensity for producing works of excellence with the incomparable architectural skills of Michael Graves. Together, the pair has conceptualized the structure's profile and its interior design. Boyrock Group, a luxury real estate investment and development organization, will also be contributing to the structuring and operation of Trump International Fort Lauderdale. The development quartet has brought to the project an unmatched caliber of expertise.

Trump International Fort Lauderdale will be comprised of 298 expertly-appointed deluxe studios, and one- and two-bedroom suites. The modern layouts feature flexible floorplans that can easily be combined with other units to create larger spaces, or customized according to the resident's predilection. Each space will be delivered fully finished. Onsite, there will be the standard luxury amenities, such as a 5,000-square-foot health club and spa, and a fitness center complete with of-the-moment equipment and an extraordinary personal training staff. A world-class restaurant with indoor and outdoor seating and a grand mosaic-tile pool and sun deck both



front the ocean. But what truly sets Trump International Fort Lauderdale apart from the other developments popping up in the area is its expected attaché service.

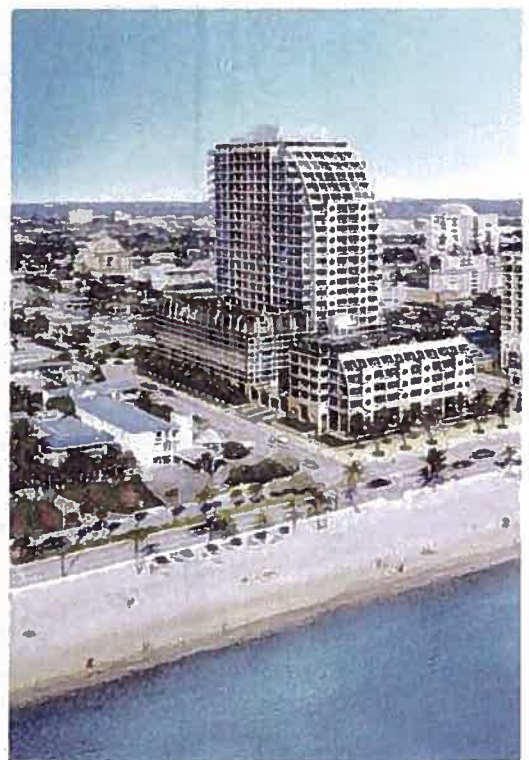
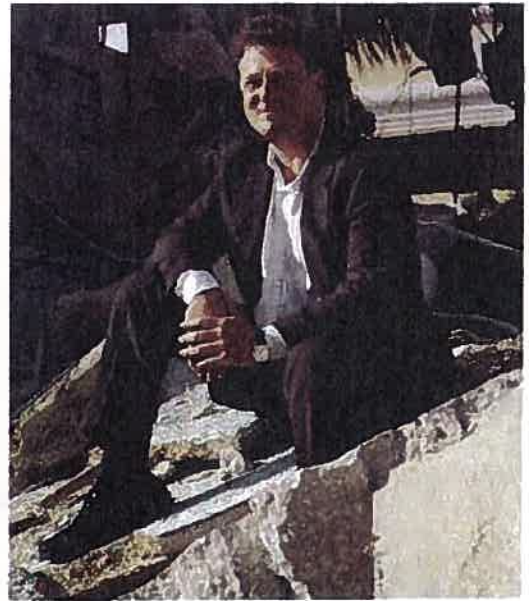
As part of the Trump five-star philosophy, each guest can expect the same outstanding service at any Trump International destination—from New York to Chicago to Fort Lauderdale. Each resident is assigned a Trump Attaché who functions as a personal concierge, providing comprehensive attention to that individual's needs and preferences. The dedicated attaché will closely care for and cater to the details of each residential atmosphere. Included in the signature service will be a cell phone and complimentary business cards and personalized stationery to use while onsite.

Another highlight of Trump International Fort Lauderdale's list of amenities is the valuable hotel/condo program. The system creates a flexibility that Florida homeowners can appreciate.

When at home, owners can enjoy all the perks of 24-hour, white-glove service—including live-star amenities, concierge assistance, housekeeping, room service, valet service and live security. When not in-residence, owners can place their unit in a voluntary rental pool. The rooms

are rented out by hotel reception, subsidizing the owner's fees. The market, saturated with second- and sometimes third-home buyers

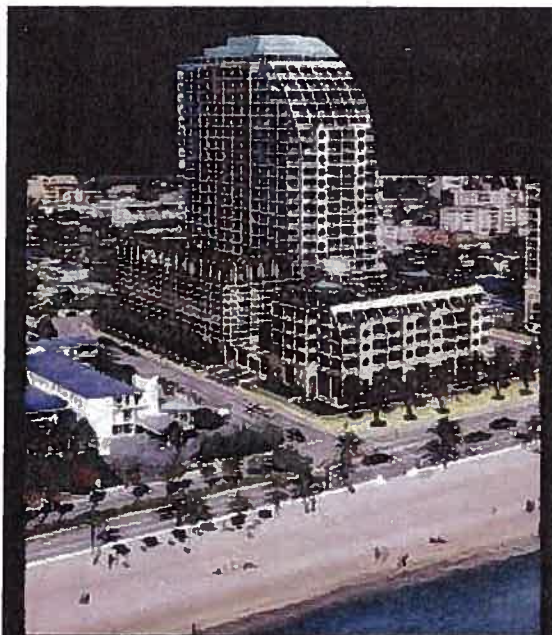
who live in other locations, has created a demand for this type of residential/rental program. Ultimately, it sets up ease of ownership and maintenance for the consumer who wants simplicity when on vacation. So, it would seem the deck is stacked in favor of Fort Lauderdale. Trump International Hotel & Tower will encompass incomparable design, exude unmatched eloquence and embody the quality and integrity that is associated with the Trump name. ♦



OCEAN DRIVE.

BROWARD
BEST OF
a special advertising section

MAY 2005



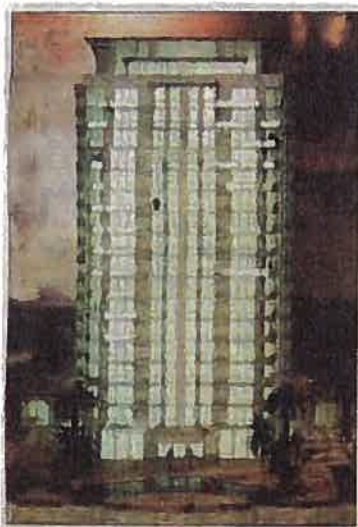
Trump Fort Lauderdale

Trump International Hotel & Tower Fort Lauderdale will reign supreme as the destination of choice for those seeking a life of privilege. The 24-story condominium hotel by Donald J. Trump and Solman Bayrock will feature 298 fully furnished deluxe studios and one and two-bedroom suites starting from \$500,000. Designed by Michael Graves, the development will feature splendid views of the Atlantic Ocean and the Intracoastal Waterway from its location at 551 N. Fort Lauderdale Beach Boulevard. For more information, call 866.TRUMP.01 or visit www.TrumpFortLauderdale.com.

South Florida Sun-Sentinel

YOUR BUSINESS

April 17, 2005



COMING ATTRACTION: Scale model of the Q Club Fort Lauderdale, a 333-unit building. Staff photo/Anastasia Walsh Infarazon

OPERATIONAL BLUEPRINT

Condo-hotels began as a way to let developers finance projects that otherwise might have gone unbuilt: By selling the condo inventory upfront, developers don't have to put up as much equity or assume large bank debts.

Here's how it works:

When a building opens for sale, buyers make reservations, typically by putting down a refundable 10 percent deposit. The deposit becomes nonrefundable when a contract is signed. When the project breaks ground, another 10 percent is due. The balance is paid at closing.

Buyers get deeds to their units, and may, but don't have to, put them in the hotel operator's rental program. Computer programs allocate incoming hotel reservations evenly among the unit owners, who get a monthly statement of use.

Rental income gets split several ways. Each project has its own structure, but a typical one calls for the operator to get the first 10 percent, with the balance divided 50-50 between the unit owner and developer. In some plans, the longer an owner commits a unit to the program, the more favorable the income split becomes.

Whatever the details, experts say they should be spelled out in documents, which should be read by a lawyer. "Don't rely on verbal representations," advised Scott Brush, a lodging industry consultant with his own firm, Brush & Co., in Miami.

—TOM STEGHORA

Condo-hotel investments offer ownership, rental income — and risk.

BY TOM STEGHORA
BUSINESS WRITER

When Henry Moy first reserved a Fort Lauderdale condo-hotel unit in late 1999, the idea was just getting off the ground in South Florida. Few people knew what it was. "When I first bought, all my relatives said, 'You're crazy,'" he recalled.

Now condo-hotels are hot. And Moy hopes to take his early faith in the idea to the bank. His one-bedroom suite, available at preconstruction prices for less than \$400,000, is now on the market for \$445,000.

"It has appreciated greatly," Moy said.

Stories like that are fueling demand for condo-hotels, which are popping up from Fort Lauderdale to Palm Beach. Buyers get the ownership of a condominium unit with the services of a hotel, plus the ability to rent the units as hotel rooms when they are absent.

Typically, high-end chains like St. Regis, Four Seasons or Luxury Collection run the projects, bringing their service expertise, top-notch restaurants and concierge talents to the mix. The hotel's designer usually furnishes the units. Those factors appeal to buyers like Moy, successful businesspeople in their 40s and 50s, real estate brokers say, who're well-to-do professionals that have a very nice primary residence somewhere else, said Matt Bobby, an agent at Esslinger-Wooten-Maxwell in Fort Lauderdale.

But owning this new real estate hybrid comes with some risks, brokers add. Prospective buyers need to have their eyes on more than how much the unit may appreciate in value before they write a check for tens of thousands of dollars down.

For one thing, calculating appreciation is guesswork, partly because securities laws limit what brokers can tell you about it. Ditto for potential rental income: Prices tend to be about 25 percent higher than comparable units in standard condominiums. Often, zoning rules limit the number of days you can occupy your unit, even though you own it.

Expenses, including mortgage, taxes, insurance and maintenance fees, typically outrun income from the units, which gets split with the developer of the project. Hotel income streams are less dependable than those from other kinds of real estate.

And many of the best projects are on oceanfront parcels that offer spectacular views, but also spectacular exposure to hurricane damage.

"It's not for everyone," Bobby said.

CRUNCHING THE NUMBERS

A major difficulty in evaluating the purchase

THE WALL STREET JOURNAL. MARKETPLACE

April 20, 2005

Location, Location, Architect



Builders Hire Famous Names To Design Luxury Condos; Paying More for Libeskind

By ALEX FRANGOS

ARCHITECT DANIEL Libeskind has built his reputation on some famous commissions. He created the master plan for the new World Trade Center in Manhattan and designed the Jewish Museum in Berlin. Now he's got a new project: a luxury condominium in Covington, Ky.

As developers flood real-estate markets around the country with posh apartment buildings, they are turning to big-name architects like Mr. Libeskind to distinguish their gleaming towers from any others in town.

As a result, in major cities and smaller urban centers, new residential buildings are emerging as the most striking designs around. It's a shift from past generations, when the largest or most interesting building in town was constructed for a corporation, not residential life.

"Downtown living is reformulating cities. A new skyline is being created by housing," says Ralph Johnson, a Chicago architect with the firm Perkins & Will who is designing a



sail-shaped 34-story tower in St. Petersburg, Fla. Even Donald Trump, who in the past hired less well-known architects to devise black glass and gold-encrusted towers, has attached his name to a Fort Lauderdale, Fla., condo hotel with eminent architect Michael Graves. In New York, developer Frank J. Sciume brought in noted Spanish architect Santiago Calatrava for what is among the most ambitious buildings in the world. The project, Eighty South Street, which has yet to begin construction in lower Manhattan, will price condos starting at \$35 million.

Daniel Libeskind's condo with a slanted roof in Covington, Ky. (above); architect Ralph Johnson's design in St. Petersburg, Fla. (inset)

In part, developers are taking advantage of affluent buyers' interest in brand-name architecture. And the strategy is working, at least for now: Two-thirds of the 55 units in a condo building designed by Mr. Libeskind in Denver sold for more than \$500 a square foot, a record for that city. The groundbreaking isn't until mid-May. The \$35 million glassy block structure will sit across a small park from Mr. Libeskind's \$120 million addition to the Denver Art Museum. Both will open in 2006.

The developers, Millie High Development and Corporex, are using a large photo of Mr. Libeskind in his promotional materials for the Museum Residences. Brochures offer multiple views of the building and Mr. Libeskind clad in black garb and sporting his signature square spectacles. The slogan: "Location, Location, Architect."

The location, however, is not an established residential neighborhood. It's near the state Capitol Building and local courts, and people accused of crimes buy bail bonds in converted Victorian homes nearby. The nearest supermarket is a 15-minute walk.

Five blocks closer to a more residential neighborhood is the Beauvallon. It's also a luxury condo, but not designed by a famous architect. The units sold out, but for \$140 a square foot less than Mr. Libeskind's building

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 even though it has amenities such as a spa and a gym that Museum Residences lacks.

Rich Brown, an oil and gas developer, and his wife, Jill Wilno, inventor of Pet Pickups disposable dog waste bags and dispensers, bought a one-bedroom apartment in the Museum Residences for \$325,000, three days after it went on sale. "It's such dramatic architecture, we had to be there," says Mr. Brown. The five-story building that wraps around the museum's parking garage.

Like other early buyers, the couple preferred a unit facing the museum rather than the Rocky Mountains. They envision using the apartment as an office or place to lodge out-of-town guests and temporary living quarters while they construct a space in their current home nearby to display their collection of modernist Hungarian paintings.

Notwithstanding the high prices, Mr. Libeskind says he's interested in building housing that's unique in the market. "It's Denver," he says. "It's not social housing or the kind of Cabrera building in New York. It's the middle market. It's an interesting neighbor to this great civic sculpture," he says, describing his museum design's aggressive, sharp-angled form.

After the quick pace of sales in Denver, one of the building's developers, Corporate, hired Mr. Libeskind to redesign a 22-story rounded tower called the Ascent at Roebuck's Bridge in Cottingham, across the Ohio River from Cincinnati. Like many of Mr. Libeskind's designs, the roof slants upward and the facade is marked with sharp angles. It will cost \$25 million to build, and most of the 50 units will be offered between \$385,000 and \$1 million, a new high for the area.

Craig Moss, president of BGN Development, the company that built the rival Stratosphere in Denver, has hired Mr. Libeskind for a 22-story luxury condo tower called the Aura in the decidedly unhipy market of Sacramento, Calif. (He says he didn't know about the Museum Residences when he hired Mr. Libeskind.) BGN, too, will capitalize on Mr. Libeskind's reputation: the sales of the unit will feature a mini-museum of Mr. Libeskind's work.

Using an architect's name to sell apartments isn't a new strategy. Modernist icon Ludwig Mies van der Rohe designed several apartment buildings in the 1920s and 1930s, including those along Lake Shore Drive in Chicago. They remain among the most coveted addresses in the Windy City.

The latest fee was negotiated two years

ago when two condominium towers, designed by architect Richard Meier on a highway near the Hudson River in Manhattan opened to rave reviews for their architecture. The project also won huge prices.

A 3,100-square-foot unit is on the resale market now for \$5 million. The towers attracted famous buyers such as Gavin Ross and Martha Stewart. Despite publicity over the buildings' quality issues, including a major leak, Mr. Meier's third tower is going up across the street.

It's 60% sold, and another three have sold for more than \$1.5 million.

The unclear whether an architect's name attached to a building pays off in price appreciation (compared to 10% and standing in real estate is a good location). Mr. Mies van der Rohe's Columbus, a 22-story glass and metal building constructed in 1930 in Newark, N.J., has stum-



Donald Trump is working with architect Michael Graves on a condominium hotel in Fort Lauderdale that won't be completed until 2007. Average cost per square foot is over \$1,200.

bling towers of Manhattan, but fetches only around \$1,000 in monthly rent for a two-bedroom, about average for the working-class neighborhood.

Frank Lloyd Wright is widely admired but his houses are often a pain to sell. Arthur layouts, small bedrooms

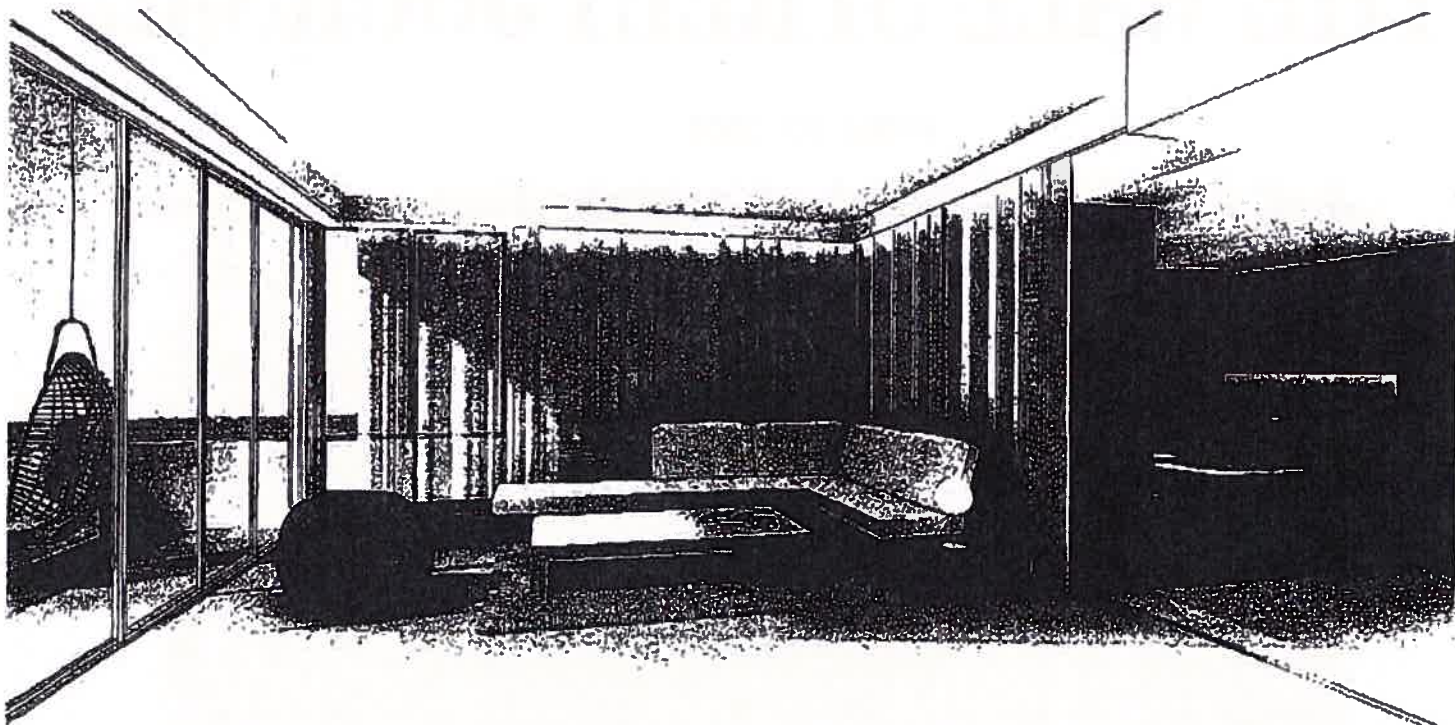
and a lack of clogs don't suit today's lifestyles. His flat roofs are controversially built and there are often restrictions on remodeling historic structures.

In Chicago, two-year-old Skybridge, a condo developed by Moran Associates and Howard Weiner and designed by Mr. Johnson of Perkins & Will, is more than 20% empty despite a healthy housing market and industry honors for its design. One of the developers, Ben Moran, says too many three-bedroom units were constructed and competitors in more established neighborhoods have buyers.

Yet many developers have decided such architectural niches are worth the price. Web-based architects command two to five times more than the average fees, which are about 2% of construction costs.

Michael Graves costs more money, it's true, says Roy Stillman, lead developer of the Trump project in Fort Lauderdale's condominium hotel that Trump will develop. Since the sales office opened in March, the building has generated 7% refundable deposits on 225 of its 300 units without any advertising. The average cost per square foot is more than \$1,100. The building won't be completed until 2007.

Mr. Stillman equates a respected architect's work to a good insurance policy. "God forbid there's a downturn," he says. "I believe this building is the last to suffer and first to benefit. It's unique."



Breaking Ground

As one of the most premium real estate markets in the United States, Florida attracts developers from all over the world. And each of these clever marketers is seeking to create the next big thing. Branding has become an important facet of the Florida real estate landscape. Here, a marque name goes a long way in establishing the tenor and reputation of a property. Hip hotelier Ian Schrager is developing a luxury hotel-condo in Miami Beach, but when it comes to self-branding, no developer does it better than Donald Trump. When the Trump name is attached to a project, it creates instant buzz. More importantly, it translates into instant sales and—in many cases—a quick sellout.

Trump Tower Tampa

On the west coast of the Sunshine State, Trump has partnered with Tampa, Fla., developer SimDag-RoBEL to create Trump Tower Tampa, a luxury condominium that will feature 192 residences priced from \$700,000 to over \$6.5 million. It is Trump's first project on the Gulf of Mexico and, at 52 stories, it will be the tallest building on the west coast of Florida. "We're going to produce something that's never been produced in this area before," said Trump at the project's opening. "There's always competition, but nobody will have the

height we have or the architect we have, and nobody will have the name Trump."

The project was designed by the prominent Tampa firm of Smith Barnes Santiesteban Architecture, and will be built by Turner Construction. The \$220 million Trump Tower Tampa is located on a 1.5-acre site along the Hillsborough River in the heart of Tampa's financial and cultural districts. The condominiums and penthouses will range from 1,991 square feet to 6,150 square feet and will feature the finest appointments and amenities—concierge and valet service, business center, a party room with catering kitchen, a fitness center and spa, serviced suites for overnight guests, billiards and game rooms, a restaurant and a pool deck. The lobby will feature exotic wood finishes, imported marble floors with inlaid onyx highlights and a coverable art collection.

Already, the tower is nearly sold out. Ninety-eight percent of the condominiums were reserved by the time the sales center opened in February; completion is projected for 2007.

Trump Tower Tampa. 813.225.2070, www.trumptowertampa.com

Trump International Hotel & Tower

Trump is also expanding his empire on the east coast of Florida,

where he already has several projects in the works. His newest undertaking is Trump International Hotel & Tower, a five-star, 298-unit hotel-condominium on two oceanfront acres in Fort Lauderdale, to be built in conjunction with New York resort developer Roy Stillman and Bayrock Group LLC.

The 24-story tower, designed by famed architect Michael Graves, will feature units ranging in size from 530 square feet to 4,000 square feet. Prices will span from the \$500,000s to over \$3 million. Each unit will be fully furnished, replete with flat-screen TVs, DVD and CD players, state-of-the-art kitchens, imported Italian marble flooring and spacious bathrooms.

"The name of the game here is five-star service," Stillman says. Residents and hotel guests will have access to all the services of the hotel, including white-glove concierge service, valet, housekeeping and room service. Amenities will include a 5,000-square-foot health club and spa, a fitness center with personal trainers, a world-class restaurant and a pool deck overlooking the ocean—all in the heart of Fort Lauderdale Beach, which is experiencing a renaissance with the development of other hotel-condominiums under the W Hotel and St. Regis flags. Trump International Hotel & Tower is scheduled for completion in 2007.

Trump International Hotel & Tower
866.878.6701, www.trumpfortlauderdale.com



Opposite: A rendering of a living room in Miami Beach's Shore Club, helmed by hotelier Ian Schrager.

This page, bottom: The 192-unit Trump Tower Tampa soon will be the tallest building on the west coast of Florida. Left: Architect Michael Graves designed the Trump International Hotel & Tower in Fort Lauderdale.

The Shore Club

Another hotel-condominium making news in South Florida is the Shore Club, a conversion of an existing hotel on Collins Avenue in Miami Beach to a hotel-condominium.

Hotelier Ian Schrager—known for developing the legendary Studio 54 in New York City as well as the Delano, one of the hottest hotels on South Beach—will invest over \$20 million in the existing hotel to create 245 newly configured units ranging in price from the \$500,000s to \$20 million, some of the highest prices ever asked for hotel-condominium units in Florida. One of the priciest penthouses is three stories of over 2,400 square feet, and comes with a 3,000-square-foot terrace, a private lap pool and 360-degree views.

Shore Club unit owners will have access to all hotel services, including the restaurants, bars, fitness center, beach concessions and even pet walking and sitting services. They will also have privileges at the neighboring Delano and VIP treatment at all hotels, bars and restaurants owned by New York's Morgans Hotel Group, Schrager's firm.

Amenities at the Shore Club include Nobu, the cutting-edge Japanese restaurant owned by Nobu Matsuhisa and Robert DeNiro, as well as Ago, a Tuscan restaurant, and the famed Skybar.

"The Shore Club is an opportunity for people to be part of the lifestyle I have spent the last 20 years cultivating," Schrager says. "There's something sexy in giving people the opportunity to own within one of these lifestyle hotels."

Schrager already has a waiting list of anxious buyers. He plans to give his current customers first dibs and has fielded a few phone calls from people inquiring about the \$20 million penthouse. Occupancy at the Shore Club is expected to begin in the fall of 2006.

ROBYN A. FRIEDMAN

The Shore Club, 305.695.3100, www.shoreclub.com

